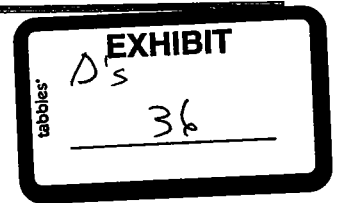


Allen, Richard

From: Don Greenough [donald.greenough@verizon.net]
Sent: Thursday, December 21, 2006 12:42 PM
To: Rick Korb
Cc: Allen, Richard
Subject: Feoffees



Rick:

As requested by Dick Allen earlier this morning, I will attempt to briefly respond to his request of December 6th for information concerning the FY2006 contribution. I met with Peter Foote and Dan Clasby on Wednesday morning to work out some final revisions to the FY2006 financial statements. I understand that Dan should have them delivered to the Feoffees by the end of the month and a copy will be forwarded to you at that time. I suggest that the following information be maintained as confidential because the Feoffees do not want the tenants at will to feel that they have gained an leverage in their lawsuit by the financial predicament of the Feoffees. In addition, in the interest of expediency, I have rounded off a few of the expense and income items.

Here is Dick's request with my information in red:

- Question: how much cushion in round numbers did the Feoffees start out with at the beginning of FY 2006 (I probably have this number here in the file somewhere, but I'm not finding it readily)? \$200,000? \$543,826
- Also, what was the total net for FY 2006? \$950,000 - \$100,000 = \$850,000? Ground rents of \$847,000 less usual operating costs of \$90,000, final electric project bills of \$27,310, wastewater hauling and operations (including emergency repairs due to Mother's Day storm) for 3/31-6/30/06 of \$30,000
- So, would this be accurate for the plus side for FY 2007 (assuming the worst case scenario of no additional rental payments from the tenants who have not signed leases)

\$200,000 at the beginning of FY 2006	\$543,826
\$850,000 net for FY 2006	\$699,690
\$486,400 rental income received for FY 2007 as of November 30	rents paid through December 31st \$486,400
<u>\$129,400</u> total rental income to be received January 1 and April 1 from the 26 tenants under lease	\$129,400

\$1,665,800 total \$1,859,316

- And would this be good estimate regarding costs and liabilities for FY 2007 (assuming the worst case scenario of no additional tax payments or rent after 12/31/06 from the tenants who have not signed leases)
- \$100,000 operations and legal costs \$175,000
\$588,000 distribution to the schools for FY2005
\$650,000 waste water debt service \$637,404
\$215,000 property taxes for 141 units not under lease \$266,000
\$18,000 property taxes on common lands \$22,250
\$70,500 waste treatment operating amount of \$500 per lot not under lease \$230,000 for waste hauling and operations of system

\$1,053,500 \$1,918,654

- So, couldn't a balance of approximately \$600,000 of the FY 2006 money be made available now even assuming the worst case scenario of no additional rent or tax payments for the rest of FY 2007 from tenants not under lease?
\$59,338 deficit projected through 6/30/07

I indicated to Dick earlier today that the "cash on hand" for the Feoffees is \$242,593. The Feoffees have customarily maintained an emergency account of \$50,000, leaving \$192,593 as unrestricted. The next loan payment is due on January 7th and the taxes for the 141 tenants at will of about \$133,000 are due on February 1st. The wastewater hauling and operation charges during the off-season are approximately \$5,000/month. The Feoffees remain concerned about making any distributions to the schools until the status of the tenants at will is determined by the court.

Donald M. Greenough, Attorney
P.O. Box 790
2 Depot Square
Ipswich, MA 01938-0790
978-356-1040 Phone
978-356-1042 Fax
donald.greenough@verizon.net